

**Division of Health Care Finance and Policy**

**An INET Web Application User Guide to:**

**Nursing Facility Cost Report (HCF-1)**

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## User Guide Overview.

This is a basic guide to filing the Nursing Facility Cost Report (HCF-1) using the Division of Health Care Finance and Policy's INET Web application.

### A. Introduction.

Beginning with the 2004 HCF-1 file submission, the Division developed a Web application to electronically capture HCF-1 cost report data. This Web application is currently available through the Division's "INET" web site at:

<https://dhcfpinet.hcf.state.ma.us/>. Over 99% of Nursing Facilities have successfully submitted their HCF-1 Cost Reports using INET.

Note: Changes made for 2005 have not affected the flow of the application as described for 2004. Remember to select the correct **filing year**. Some screens in this guide show the filing year as 2004, but as of this writing (1/19/2006) you will be working with filing year **2005**. Also note that performance enhancements implemented in the middle of the 2004 filing period should provide better response time throughout the 2005 filing cycle.

### B. Step by Step Process.

**The following describes all the necessary steps to complete and successfully submit your HCF-1 electronically:**

1. Register your users for INET.

You will typically need to register at least the following persons:

- a. **User** who will enter the data and balance the cost report
- b. **Owner** / signatory who will sign the cost report
- c. **Preparer** who will sign the cost report if applicable

2. Read section **I.C. Optional Batch File submission** in the User Guide.

Determine whether you will file a batch file submission or enter all your account data directly via the Web forms online. Note – the batch file option is usually only pertinent to preparer's that are filing HCF-1 reports for multiple facilities.

3. Assemble all required information for your HCF-1 submission.

You will need to use the paper cost report form for 2004 as a guide. If you already have your account data in electronic format and have decided to submit a batch file (step 2) then this file should also be ready before you login to submit your data for the first time

4. Login to INET <https://dhcfpinet.hcf.state.ma.us/> .
  - a. Select menu option: Nursing Facility Cost Report (HCF-1)
  - b. Start a new HCF-1 filing by following either step 4.b.1 or 4.b.2 below:
    - (4.b.1) if you plan to enter all your account data directly into the Web forms:
      - Select “Filing” and then “New HCF-1” in the left side pane.
    - or -
    - (4.b.2) if you plan to upload your account data in a batch file:
      - Select “Uploading” and then “XML Upload” in the left side pane.
      - Upload your xml batch file; Contact HCF if you have problems.

5. Step through each Schedule to complete all questions.

You may save at any point and come back later to complete your filing.

You should save frequently to minimize lost information in the event your internet connection terminates. **Inactivity for 20 minutes will cause the internet session to Time-Out, and you will lose any unsaved data!**

When you have entered all Schedules, completing all questions, proceed to the next step.

6. Perform Error Checking edits by clicking the “Error Check” button on the floating tool bar.

If there are any errors found (usually data omissions or mathematical inconsistencies), make corrections and then re-run the Error Check until all errors are cleared. Warnings should be reviewed and addressed.

This is an iterative process. Continue to run the “Edit check” until there are no “fatal” errors, and warnings have been addressed where applicable.

7. Sign the HCF-1 submission document.

Select “**Attestation**” on the left navigation pane of the main HCF-1 Cost Report menu.

Select from each of the following sections (**A, B, C**) as appropriate. You must be a registered signatory with the Division in order to sign.

- **Section A - Preparer Type of Accounting Service** (if applicable)  
CERTIFICATION BY PREPARER OTHER THAN OWNER, PARTNER OR OFFICER
- **Section B - Accuracy of Reported Costs**  
CERTIFICATION BY OWNER, PARTNER OR OFFICER
- **Section C - Use of Public Funds**  
CERTIFICATION BY OWNER, PARTNER, OFFICER OR ADMINIS

Note 1: When first selecting any of the three sections to sign, the Error Check procedure is rerun for the HCF-1 submission. You can not sign until all “fatal” edit errors are corrected.

Note 2: Once any of the three sections have been signed, the cost report is locked so that no further changes can be made, except for adding signatures to unsigned sections.

8. Submit the HCF-1 document.

When all three attestation sections have been signed and submitted the HCF-1 document will automatically be considered submitted.

Please note that Section A is only necessary if there was a preparer involved. Upon successful completion you will see the following message on the Web form:

*Congratulations! Your report is now officially submitted, and no longer editable. A PDF version is generated and stored in the system for the record.*

*You are strongly urged to view and print the PDF for your own record by Clicking the link below: [View submitted report's PDF version](#)*

As suggested, you should print the PDF version of the HCF-1 for your personal records.

## C. Optional Batch File Submission.

The Division is offering two options for submitting HCF-1 data, both of which utilize the existing INET web site.

**Option 1:** Screen entry only - nursing facility staff designee enters cost report information directly into Web screens, which emulate the look of the paper form.

Note: The Division will attempt to pre-fill cost report data items where appropriate (such as Facility Name, Licensed Beds etc.), but users must review and either accept or make corrections as required.

**Option 2:** Batch upload – cost report preparers/nursing facilities that have all or much of the cost report data in electronic format already, may elect to submit account data as a batch text file.

Using the upload function on INET, the Division will import cost report account data from the batch text file, and load it into the appropriate schedules for each nursing facility with data in the batch file. This will save the preparer some screen input time; however, the preparer will still have to review the imported data, and fill out any other required data that does not get imported from the batch file. Preparers must also sign the HCF-1 filing in addition to Nursing facility owner signatories to *submit* the filing utilizing the Division's INET Web application functions.

### **HCF-1 Batch File specification.**

The file format for submitting a text file is "xml". The xml file allows all account data to be submitted regardless of what Schedule it may be found on.

Fields on the xml file:

FilingYear	= Four digit (YYYY) calendar year of the data
Account Number	= Account Number defined on an HCF-1 schedule
Reported	= Account Amount
NonAllowable	= Self disallowed portion of the reported amount
OrgID	= a constant ID number assigned to each facility
FilingType	= a "1" indicates HCF-1, a "2" indicates HCF-2

There should be only one occurrence of any particular account within a filing type. The accounts on Schedules 2 thru 19 of the HCF-1 are filing type "1". The accounts on Schedules 21 thru Schedules 23 of the HCF-1 are filing type "2".

The system will accept partial submissions. Any and all valid accounts in the batch xml text will be pre-loaded to the Web form. All remaining required fields may be entered via the Web application screens just as in Option 1.

Note1: The xml schema allows for multiple cost report filings (multiple facilities) to be included in a single xml text file. In such a case, each facility's data would be identified separately by their specific OrgID number. The advantage here would be to allow a single management company for example, to submit data for all of it's facilities in one submission request; on one single physical file if desired.

If you decide to go with the Batch file option, you should request the following from the Division:

- a. the xml schema (xsd) file
- b. a sample xml file
- c. a sample spreadsheet template

### **Frequently asked questions:**

1) Batch file or Manual entry?

To determine whether you want to key in all your account data, or send in the account data as a batch file which the Division will preload into your electronic HCF-1 form, consider the following. If you are filing for only one Facility this may not be worth the effort. If you do not already have the account data needed for the HCF-1 filing in electronic form – you absolutely are not interested in the batch file approach.

2) What accounts can be uploaded?

Accounts that can be uploaded currently include all designated account fields on the following schedules:

#### **Account based schedules or schedules w/ accounts**

- Schedule 2: Nursing Expenses
- Schedule 3: Administrative and General Expenses
- Schedule 4: Variable Expenses
- Schedule 5: Depreciation Expenses
- Schedule 6: Non Nursing Expenses
- Schedule 7: Summary and Reconciliation Expenses
- Schedule 8: Income Schedule
- Schedule 9: Balance Sheet
- Schedule 10: Income Statement
- Schedule 11: Cash Flow
- Schedule 12: Reconciliation of Reported Income and Financials
- Schedule 13: Reconciliation of Net Worth, Proprietorship and Partnership
- Schedule 14: Patient Statistics (see Division for account reference numbers)
- Schedule 15: Detail of Purchased Service Nursing
- Schedule 16: Supplemental Salary /Hour Data

Schedule 17: Proprietorship/Partnership Information  
Schedule 18: Highest Paid Salaries  
Schedule 19: Summary of Notes Payable  
Schedule 21: Realty Company Balance Sheets  
Schedule 22: Realty Company Statement of Income and Expenses  
Schedule 23: Realty Company Mortgages and Notes Payable Supporting Fixed Assets

**Note: Accounts on Schedule 21 through 23 should be using tag designations  
"<FilingType>2</FilingType>" in the XML upload file.**